

Why You Need Auto Insurance

- It pays claims if you hurt someone else or damage another person's property (this is called **liability** insurance);
- It pays for your injuries and damage to your car if you are hit by someone who is not insured (this is called **UM or uninsured motorists coverage**);
- It pays you if you cause damage to your own car (if you buy **collision** coverage);
- It pays if your car is stolen (if you purchase **comprehensive** coverage);
- It pays for medical and funeral expenses for you and your passengers (if you buy **medical expense** coverage).

Information from the National Highway Traffic Safety Administration (NHTSA)

Teen drivers have the highest crash risk of any age group: Per mile traveled, teen drivers have the highest involvement rates in all types of crashes, from those involving only property damage to those that are fatal.

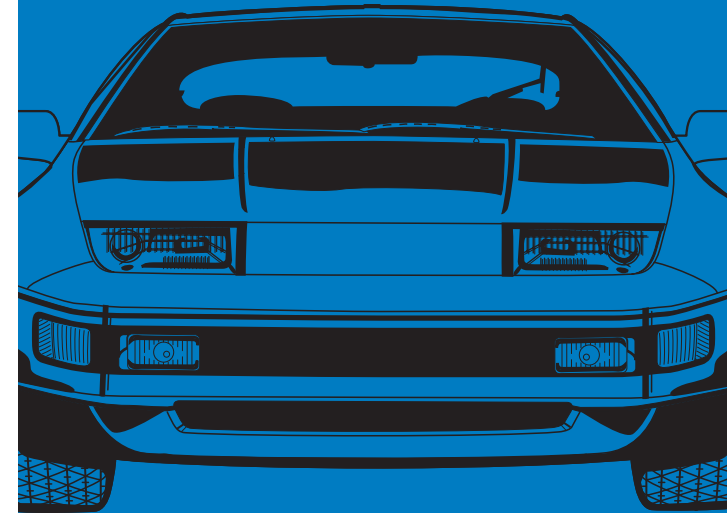
Due to the innate fact that teen drivers lack experience driving a car, mistakes will be made. After all, that is the nature of learning a new skill, isn't it. However, the ramifications of a mistake behind the wheel of a 3,000 lb. vehicle are far more drastic than most other decisions you make on a daily basis.

The NHTSA has gathered information on teen drivers nationally and has noted that:

- Teen drivers' fatal crashes are more likely to occur when other teenagers are in the car. The risk increases with every additional passenger.
- Night driving is a high-risk activity for beginners. Per mile driven, the nighttime fatal crash rate for teen drivers is about twice as high as during the day.
- Teenagers generally are less likely than adults to use safety belts.
- More of teen drivers' fatal crashes involve only the teen's vehicle. Typically these are high-speed crashes in which the driver lost control.

There is a good chance that either you or a friend will be involved in a teen-related accident. Avoiding some of the issues presented above will reduce your risk of injury.

Teenager's Guide to Auto Insurance



Prepared by the
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance

What If I Don't Have Insurance?

If you do not have insurance, DMV will require you to pay a \$500 fee when you register your car. This fee does not provide insurance, so **if you cause an accident, you will have to pay for any injuries or damages you cause.**

How Are Premiums Determined?

Insurance companies charge rates based on many factors such as:

- **Your driving record**
- **Age and type of vehicle** (if you buy comprehensive and collision coverage)
- **Your age**
- **Your sex**
- **Where you live**



How Can I Lower My Premium?

- Avoid getting tickets
- Avoid having accidents
- Don't drive a high performance car or a sports car
- Maintain good grades to qualify for a "good student discount"
- Talk to your agent or company about buying a high **deductible** for your comprehensive and collision coverage. A deductible is the amount you have to pay out of your own pocket when you have a claim.

Can My Company Increase My Premium Due to My Accidents and Traffic Tickets?

Yes, your insurance company can charge an additional premium for a ticket or for an accident that was even **partially** your fault. This extra charge can last **three** years.

What If I Don't Pay My Premium?

If you don't pay your insurance premium, the company will cancel your policy. Getting a policy from another company may be difficult or may cost you more if you have let your policy run out and have gone without insurance.

How Long Will My Policy Last?

Your policy will insure you for a specific period of time such as one month, six months, or 12 months. This is called a policy term. At the end of the **policy term**, the company may continue your policy or refuse to renew your policy.

Can My Company Refuse to Renew My Policy If I Only Have One Ticket or One Accident That's My Fault?

Yes. In fact, your driving record can affect the insurance policies of other members of your household, too. Even if they are on a different policy, they can be non-renewed because of your driving record.

Can I Be Refused Coverage Because of My Age?

No. If you are applying for insurance or if you are being added to your parents' policy, the company cannot turn you down because of your age.

If I Let My Friend Drive My Car and He Has an Accident, Will He Be Covered?

Yes. Your friend will be covered if he is driving the car with the owner's permission.



If I Have a Problem With My Insurance Company or My Agent, Who Should I Call?

You can call the Bureau of Insurance at: (804) 371-9185 if you live in Richmond

1-877-310-6560 (toll free) if you live outside of Richmond.

You can also visit us at:
The Tyler Building located at
1300 East Main Street
in downtown Richmond.

Or, you can write to us at:
P.O. Box 1157
Richmond, Virginia 23218.

Our web site is:
www.state.va.us/scc/division/boi/index.htm

What If I Want More Information?

Another consumer guide is available from the Bureau which explains automobile insurance in more detail. You can also contact your agent or your insurance company for more information pertaining to your automobile insurance policy.